

One Way to Make the Most of your Homeowners Insurance

Homeowners insurance helps you protect the things that mean so much to you. To be certain that your valued possessions are fully covered against fire, theft and other perils, you should take some extra steps.

Many smart homeowners install security devices, including deadbolt locks, fire extinguishers and burglar alarm systems.

These precautions reduce the chance and severity of a loss. However, there is no guarantee. There is another important step to take – one that is often overlooked.

Create an inventory of the things in your home.

This detailed record of your home furnishings, personal possessions and valuable items, in writing and in pictures, is an important complement to your homeowners insurance.

Having this information will make it easier for you to file a complete and prompt claim, supported by accurate documentation. This will help determine the replacement cost of your lost or damaged possession so your claim can be settled more quickly.

We truly hope you never need to access your home inventory. But if you do need it, the investment of time to complete the inventory will have been well worth it.

Contact your Allen Insurance personal insurance account executive for more information. We can provide you with an inventory to complete, guidelines for the kinds of photos to take and a place to store it all.

The Value Checklists for Homeowners & Home Buyers

By Cale Pickford

This article appears in the Fall 2020 edition of Maine Realtor Magazine.



Cale Pickford

Even the most optimistic among us probably would not have forecast the current boom in residential real estate sales. A common refrain over these last months is that there is no better place to weather a global pandemic than Maine. People all over the country agree and more and more families are making the move and calling Maine home. With multiple offers, COVID-19 protocols, virtual showings and listing inventory at an all-time low, real estate agents have never been busier. Such a frantic pace makes it easy to forget important steps of due diligence and best practices. Checklists are an important tool to keep the agent organized and assist in reducing liability and provide better customer service.

There are numerous real estate agent checklists available online and in circulation at agencies. Keep in mind when using a

checklist, that no detail is too small when it comes to due diligence. Working proactively will not only protect you from liability it will save you a lot time in the long run – a valuable asset in a hot real estate market. Of course, insurance should be on every real estate agent's checklist and the following can serve as a list within your list:

Location

The old adage that the three most important things in real estate are location, location and location is just as true for insurance underwriting. Many standard national insurance companies and direct writers do a great job insuring suburban homes but often cannot cover isolated, rural and coastal (in particular island) locations. If you are involved with a sale of a property with one or more of these attributes, makes sure the buyer is working early to secure homeowners insurance.

Flood Plain Concerns

It's logical to pair flood plain concerns with location, because flood plain issues can crop up with any property, not just waterfront homes. If you think there's even a remote chance that a home could be impacted by the special hazard flood plain, you should pull the flood insurance rate maps or work with an insurance agent to provide a flood zone determination. The sooner flood plain concerns can be addressed, the more likely you'll have a favorable outcome.

Occupancy

Many people have decided to move to Maine full time but we're still a state with one of the highest ratio of secondary homes to primary in the country. Secondary homes are always more complicated to insure than primary homes. In addition to having fewer insurers to choose from, owners of secondary homes may be required to install central fire, burglar and low temperature

alarms, hire a caretaker, make sure the home is accessible year around, and winterize the plumbing.

Business Pursuits

With more and more people working and learning from home, the lines between personal and business has been completely blurred, and in many cases, almost to invisible. Homeowners should review their plans to use their home for business with the insurer. Another timely consideration is home-schooling pods, a unique 2020 concern which should also be reviewed with an insurance agent for coverage considerations. Home-based businesses such as woodworking, bakeries, boat building, and any situations where clients regularly visit the home, can often disqualify one from a homeowner's policy all together.

Renovations

It makes perfect sense to renovate a home immediately after purchase – just make sure that the buyer communicates their plans with their insurer. Especially with such limited inventory, buyers cannot afford to be picky so there's a strong likelihood someone will want to modify the home to suit their tastes and need. Depending on the extent of the renovation, a buyer might not even be eligible for a homeowner's policy. In an instance such as this, the buyer might need to secure a builders risk or course of construction policy which greatly limits coverage and often costs far more than the equivalent homeowners' policy.

Vacation Rental

The pandemic has only accelerated the trend toward more and more families eschewing traditional hotels and inns for private vacation rental homes. To meet the demand, more and more homeowners are opening up their second and, in many cases, primary homes, to these weekly tenants. Using one's home this

way can have significant implications on insurance.

It would be nice if only one of these items on the list would occur per closing, but it is often the case these issues come in twos or threes compounding the problem. Lists allow the real estate agent to keep on track and get ahead of issues before they threaten to derail the deal. Smooth deals mean happy clients which leads to more referrals.

Checklist: Winter Storage for Boats

Source: PatriotInsuranceco.com

Sadly, boating season will come to an end soon, and Old Man Winter will be paving the way for snowmobiles. Winter storage for boats takes some careful planning. If you follow a checklist, winterizing your boat can be easy, ensuring your boat will be in great shape come spring.



For safe winter storage for your boat, follow our checklist:

Inspect for damage.

- Thoroughly inspect the boat for any damage. Repair now, if possible.
- Check electrical systems and appliances to make sure they

are functioning properly (make repairs before storing the boat, if possible).

- Check the battery to make sure it is fully charged before storing.

Prep the fuel system.

- Fill the fuel tank but leave enough room for expansion.
- Treat the fuel with a stabilizer, then run the engine for 10 minutes to get it circulating throughout the engine.
- Seal the fuel valves.

Winterize the engine.

- Change the oil and replace filters.
- Flush the engine with fresh water, then let it drain.
- Wash the engine with soap and water. Rinse thoroughly.
- Fog the engine cylinders with an aerosol fogging solution.
- Lubricate the engine's grease fittings.

Flush the cooling system.

- Drain any remaining coolant.
- Run a less toxic propylene glycol antifreeze through the system.

Clean inside and out.

- Clean the boat inside and out, removing any plant life or barnacles.
- Remove any valuables from inside the boat.
- Take out any food or drinks.
- Bring home any cushions and store them in a cool, dry place.

Store your boat.

- Remove the battery and store it in a safe, dry spot.

- Consider purchasing a dehumidifier for the storage area to help prevent mildew.
- Lock your boat (and leave a key with the marina manager, if applicable).
- Cover and store your boat.
- Check your boat periodically or have the marina check it and report to you.

Then, when spring comes around, make sure you have the right protection for your boat. Talk to an Allen Insurance representative about boat insurance.

Meesha Luce Earns Safeco Insurance® Award of Excellence for Superior Underwriting Skill



Meesha Luce

Meesha Luce, ACSR, a personal insurance account executive with Allen Insurance and Financial has earned the Safeco Insurance Award of Excellence, an honor recognizing superior underwriting

skill.

This is Luce's sixth consecutive year earning this recognition, which is achieved only by a select group of agents across the country who sell Safeco Insurance.

"Meesha is part of a personal insurance team working hard every day to make sure we deliver the highest level of service to our customers. We are all very proud to say that Meesha is again part of this elite group of insurance agents honored by Safeco," said Michael Pierce, president of Allen Insurance and Financial.

The Safeco Award of Excellence honors outstanding agents who have developed a solid underwriting relationship with Safeco and whose agencies have qualified for the Safeco Insurance Premier Partner Award, the company's top recognition program. Fewer than 10% of agencies who sell Safeco have agents who receive this award.

Luce, a resident of Jefferson, joined Allen Insurance and Financial in 2006. She has been a member of the Maine Insurance Agents Association Young Agents Committee since 2013, was named Maine's Young Professional of the Year in 2017 and is the vice chairman of the Maine Young Agents Committee.

Allen Insurance and Financial is a multi-year President's Award and Premier Partner agency, recognition given only to the best independent insurance agencies that sell Safeco. Safeco is a Liberty Mutual Insurance company.

ATV Info – Is there an age limit for operating an ATV in Maine?

Whenever you own and operate a motor vehicle, regardless if it is for recreation or normal transportation, it is critical to follow all of Maine's legal requirements, both for insurance coverage and for who rides (and operates) the vehicle.

With regards to ATVs, there are unique requirements specific to Maine, so if you've moved from out of state, or if you recently purchased such a vehicle, it is necessary to stay up to date on the latest regulations.

Age Requirements for Operating ATVs

In Maine, no person under the age of 10 may operate an ATV. Anyone younger than 16 must first successfully complete a training course approved by the state. They must also be accompanied by an adult.

Anyone under the age of 16 is not allowed to cross any public way outside of the purpose of crossing as directly as possible while ensuring it does not interfere with traffic approaching from either direction.

Insurance

It is important to have ATV insurance coverage. With potential roll overs, damaged fenders or vehicles submerged in water during operation, you do not want to be forced to pay for costly repairs on your own. ATV insurance may also cover theft, whether on your property or if you are towing it to a recreational location.

Registration

Just like with your automobile, you need to have an active registration on any ATV you own and operate.

Some costs to consider include:

- Resident registration is \$33 annually
- Nonresident registration is \$68
- Nonresidents may apply for a 7-day \$53 ATV registration

There is also a free ATV weekend currently scheduled for Aug. 16-18, 2019.

To make sure you and your vehicle are properly protected, make sure to contact Allen Insurance and Financial for insurance quotes on your ATV.

Is Snowmobile Insurance Required in Maine?

Like a car, you must register your snowmobile if you own it in Maine. When it comes to insurance, however, the law is much more flexible. In fact, there are no real Maine snowmobile insurance requirements or licensing requirements – only laws determining who can ride, as well as how and where they can ride.

That does not mean you should be without insurance coverage, though. Snowmobiles are not only fun and practical, but they can

also be dangerous. Having the right insurance can protect you against major losses and financially devastating liability.

Third-Party Snowmobile Insurance Requirements

Even though the state does not require snowmobile insurance, you may still be required to purchase coverage from a third party.

For example, if you financed the purchase of your snowmobile, your lender will probably want you to purchase insurance that protects your sled against physical damages until your note is paid in full. If you store your snowmobile somewhere other than your home, the property manager may also require proof of coverage.

Types of Snowmobile Coverage

Snowmobile insurance is usually no more than a few hundred dollars per year, but it can save you tens of thousands of dollars in injury, property, and liability damages. Even the safest of drivers can fall through ice on their sled or run into a fence in poor visibility.

Depending on the terms of your coverage, your policy may protect you against a wide range of snowmobile-related claims, including:

- Collision damages
- Non-collision damages, such as fire or theft
- Injury to you and your passengers
- Victim medical expenses

- Property damage liability
- Legal fees if you are sued
- Judgments and settlements if you lose your defense

At Allen Insurance and Financial, we can help you assess your risks and examine various options to minimize your exposure to loss. For more information or to request your snowmobile insurance quote, contact our office today.

Insurance Term: Insurance to Value

Imagine how devastating it would be to lose your home in a fire. Now imagine not being able to rebuild it completely because you didn't have the correct amount of insurance.

Selecting the proper amount of coverage is the single most important decision you can make with your Homeowners policy. Without it, you may not have enough coverage to rebuild after a total loss. This is called "insurance to value." Below are some explanations and tips to help you make the right choices for your needs – and remember, if you need help, we're just a phone call away!

What is insurance to value?

Insurance to value is the relationship between the amount of coverage selected (typically listed as "Coverage A" or "Dwelling Coverage" on your policy declarations page) and the amount required to rebuild your home. Insuring your home for anything less than 100% insurance to value could mean you wouldn't have

enough coverage to replace your home in the event of a total loss

Why is the cost to rebuild different from the market value?

A home's market value reflects current economic conditions, taxes, school districts, the value of the land and location, and other factors unrelated to construction cost. The cost to rebuild your home is based only on the cost of materials and labor in your area. It is important that you insure your home based on its reconstruction cost, NOT its current market value

Why is reconstruction more expensive than new construction?

New-home builders typically build many homes at once, and solicit bids from various sub-contractors to receive the best pricing. Their business model is based on economies of scale. For example, they may purchase 20 bathtubs at once, securing a lower unit cost. These economies of scale don't exist when building a single home.

How can I make sure I have the correct amount of insurance?

- Work with your agent to provide detailed information at time of purchase to be sure that you receive a thorough and accurate quote.
- Ask us about additional coverage options that may be available.
- Review your insurance to value calculation on a regular basis with your agent.
- Tell your agent about any changes or improvements that you make to your home.